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## **New Zealand**

## **Solid Wood Products**

## **Annual**

## **2001**

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**Report Highlights:** Based on existing planted forests, New Zealand's available wood supply is forecast to about double to 36 million cubic meters by 2015. In 2001, production and exports of lumber and logs are forecast to be relatively flat, reflecting poor economic conditions in key Asian and Australian markets. Key policy issues for the New Zealand forest industry are the Kyoto protocol, sustainable forestry certification, investment, and improved trade access.

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
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## **SITUATION AND OUTLOOK**

New Zealand's main forestry exports are sawn timber, softwood logs, wood pulp, pulp/paper and panel products. New Zealand wood products compete with the United States wood products in some markets.

Based on existing planted forests, New Zealand's available wood supply is forecast to increase from 17.9 million m<sup>3</sup> in 1999 to 36 million m<sup>3</sup> by 2015. Radiata pine is the dominant species, making up 90 percent of the planted forest area, with Douglas-fir the next most common species, making up 5 percent. Due to the forecast rapid expansion of New Zealand's wood harvest, large investment into New Zealand's wood processing industry and infrastructure are required. In January, 2001, and joint Government and Forest Industry Council (FIC) Wood Processing Strategy was launched. It is estimated that investment of NZ \$3 billion (US \$1.2 billion) is required by 2010 to sustain the increase in harvest. Industry officials forecast this will come from both existing players establishing new plants and increasing capacity in existing plants, and also from new international operations.

Forest products exported from New Zealand in the year to 30 June 2001 totaled NZ \$3.6 billion (US\$1.5 billion). This was a 10 percent increase from the value of NZ \$3.4 billion (US \$1.4 billion) in the June 2000 year. Driving the increase were improved prices for wood pulp, fibreboard, logs and sawn timber and a growing U.S. market. New Zealand's main markets for forestry products in the June 2001 year were Australia and Japan. A very weak New Zealand dollar versus the U.S. dollar aided export competitiveness.

**FOREST SITUATION**

New Zealand's planted production forests covered an estimated 1.73 million hectares as of April 1, 1999. About 71 percent of the area is in the North Island and 29 percent is in the South Island. About 33 percent of the entire planted forest estate is in the Central North Island wood region. Other significant forest resources are Northland, Nelson/Marlborough and Otago/Southland regions.

<b>NZ PLANTED FOREST LOCATIONS</b>		
<b>Location:</b>	<b>Area (ha)</b>	
	<b>1 April 1998</b>	<b>1 April 1999</b>
Northland	191,302	199,243
Auckland	53,412	53,414
Central North Island	559,719	569,355
East Coast	138,829	143,623
Hawke's Bay	119,198	120,771
Southern North Island	137,387	147,132
Nelson/Marlborough	167,231	172,490
West Coast	32,607	33,278
Canterbury	107,960	112,332
Otago/Southland	171,298	179,127
<b>TOTAL</b>	<b>1,678,943</b>	<b>1,730,765</b>

Source: MAF and Statistics New Zealand

Radiata pine is the dominant species, making up 90 percent of the planted forest area, with Douglas-fir the next most common species, making up 5 percent. The balance comprises other softwood and hardwood species. About 69 percent of the radiata pine planted forest estate is, or expected to be, pruned to a height of at least four meters. The area of pruned radiata pine approaching harvestable age is increasing. Currently 1.02 million hectares, or 95 percent, of the pruned radiata pine estate is 25 years old or younger. Approximately 160,000 hectares of pruned radiata is between 21 and 25 years old, while 60,000 hectares of pruned radiata pine is older than 25 years.

The planted forest resource is characterized by predominantly young crops with 61 percent being 15 years old or younger, the result of planting during the 1980s, and the high rates of new plantings since 1992. Little planted forest is more than 35 years old, a reflection of the economic rotation age of the dominant species, radiata pine, which is typically harvested between 25 and 30 years.

An estimated 51,200 hectares of new planted production forest were established in 1998. 44 percent of this planting occurred on improved pasture, 47 percent on unimproved pasture and 9 percent on land where scrub was previously the predominant land cover. It is provisionally estimated that 22,900 hectares of new planting occurred during 1999, with 45,000 new hectares estimated in 2000.

New Zealand has a well established wood processing industry. It currently consumes around 11 million m<sup>3</sup> of wood annually, with the balance of the harvest being exported as logs. Of the 2000 harvest:

- 32 percent was exported as logs;
- 38 percent is supplied to plywood mills and sawmills;
- 26 percent is used as a direct log supply to the pulp and paper and reconstituted product industries; and
- 4 percent is used to produce other forest products.

In the annual period to June 2000:

- More than 350 saw millers produced 3.8 million cubic meters of sawn timber. Most mills produced less than 20,000 m<sup>3</sup>; only 9 percent produced more than 20,000 m<sup>3</sup>;
- Five panelboard companies produced 805,000 m<sup>3</sup> of fibreboard and 193,000 m<sup>3</sup> of particle board;
- Six panelboard companies produced 247,000 m<sup>3</sup> of plywood;
- Four pulp and paper companies produced 1.6 million tons of pulp and 852,000 tons of newsprint and paperboard.
- The harvest of logs was recorded at 18.8 million cubic meters.

New Zealand's wood processing industry is concentrated in the central North Island, where the majority of the mature planted forests are located. The major wood processors, who are also New Zealand's major forest owners, have their processing plants close to or within their forests.

New Zealand planted forest ownership has undergone considerable change since 1990 with the sale of cutting rights to much of the State's planted forests, and with the proliferation of involvement from a variety of small scale investors. New Zealand's planted forest estate is mainly owned by the private sector with the Government now only owning 6 percent of the forests. Of New Zealand's total planted forest estate 64 percent is owned by 14 major organizations (with considerable offshore investment, including from the U.S.), each owning more than 20,000 hectares. There will continue to be rationalization of forest holdings among existing companies as well as sales of forests allowing new entrants. Some integrated companies are reported to be considering divesting their forest assets, which show a poorer return on capital than their processing operations. They would secure access to the wood resource through long-term contractual arrangements.

The remaining forests are owned by small companies, local government, partnerships, joint ventures and thousands of small scale land owners. The dominance of large companies in new planting has given way to individuals and groups of smaller investors. These include farmers, individual investors, Maori forestry interests and additional foreign participants. More than 14,000 forests are less than 100 hectares in size, and many of these are individually owned.

**PRODUCTION*****Softwood logs***

PSD Table						
Country	New Zealand					
Commodity	Softwood Logs				1000 CUBIC METERS	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Production	14795	15500	15470	16000	0	16000
Imports	4	4	4	4	0	4
TOTAL SUPPLY	14799	15504	15474	16004	0	16004
Exports	6542	6897	7065	6975	0	6975
Domestic Consumption	8257	8607	8409	9029	0	9029
TOTAL DISTRIBUTION	14799	15504	15474	16004	0	16004

Log exports are a fundamental part of the product mix for the New Zealand forest industry. In the year to December 2000, log exports accounted for NZ \$699 million (US \$286 million) or 20 percent of the New Zealand forest industry's total export earnings. Past planting rates indicate that roundwood removals may double from the current 18 million m3 to 36 million m3 by 2015.

New Zealand's domestic consumption is expected to grow slowly static. The processing industry's log consumption has increased significantly over the last decade, but not at a rate able to keep pace with the increase in wood. International markets have provided a destination for the logs and have, in turn, spurred an increase in new forest planting. However, a heavy reliance on log exports is unlikely to be in the long-term interests of the industry or country, as they are exposed to fluctuations in the international commodity price cycle and to the threat of cheaper cost competitors. Some sawmill owners are looking at ways of increasing their kiln-dried lumber output in order to sell into more differentiated markets.

In the year ending June 30, 2001, the volume of log exports to the top market Korea declined, exports to Japan and China remained relatively flat, while exports to India increased sharply (see trade matrix). Higher prices, however, resulted in a 9-percent increase in total log export value to NZ\$713 million. Overall the volume of New Zealand log exports for 2002 currently are forecast to remain flat. The extent of a recovery in world economic growth will be critical to New Zealand log export levels.

***Softwood Lumber***

PSD Table						
Country	New Zealand					
Commodity	Softwood Lumber				1000 CUBIC METERS	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Production	0	3880	0	3900	0	4000
Imports	0	15	0	15	0	15
TOTAL SUPPLY	0	3895	0	3915	0	4015
Exports	0	1480	0	1490	0	1540
Domestic Consumption	0	2415	0	2425	0	2475
TOTAL DISTRIBUTION	0	3895	0	3915	0	4015

***Plywood***

PSD Table						
Country	New Zealand					
Commodity	Softwood Plywood				1000 CUBIC METERS	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Production	218	240	240	190	0	195
Imports	6	6	7	7	0	7
TOTAL SUPPLY	224	246	247	197	0	202
Exports	135	110	142	90	0	92
Domestic Consumption	89	136	105	107	0	110
TOTAL DISTRIBUTION	224	246	247	197	0	202

***New Zealand's Domestic Market***

New Zealand's population of 3.8 million and comparatively small manufacturing base cannot utilize the large resource of timber that is available from harvest. Therefore, the size of New Zealand's domestic market is restricted and domestic consumption of wood products is fairly static or growing only slowly. Good domestic economic growth in 2001, however, helped boost local housing construction and wood demand. The domestic economic outlook for 2002, will depend significantly on the economic strength of key world markets and demand for key New

Zealand export commodities, but a weak NZ dollar should make wood exports competitive. The construction industry is the primary user of softwood lumber. However, two research studies undertaken in New Zealand claim that alternative building materials are carving into timber's traditional home-building market. One study, undertaken by New Zealand's Forest Research Institute, suggests that the timber industry is losing its grip on local markets as building trends shift toward multi-unit developments made of concrete, which is perceived by many to have greater soundproofing qualities. Another study reported that solid wood was losing out in the window, joinery and door markets to alternative materials, such as aluminum and PVC. These studies have prompted the New Zealand forest industry to promote the positive qualities of wood. The industry is using generic promotion to promote timber use domestically in New Zealand.

## **TRADE**

### ***Overview***

In global terms, New Zealand is a small player, accounting for 1.0 percent of the world's total supply of industrial wood and 1.2 percent of the world's trade in forest products. In comparison Chile accounts for 1.1 percent of trade, Russia 2.2 percent, Sweden 8.2 percent, and Canada 18.8 percent. However, given the forecast increase in roundwood removals of 36 million cubic meters by 2015, New Zealand softwood exports are expected to rise significantly over the next 5 to 10 years, as the domestic market is small and static; New Zealand's share of world solidwood exports is also likely to increase. The New Zealand Forest Industries Council (FIC) hopes to see NZ move from one of the top 20 global suppliers of forestry products in 2000 to one of the top five suppliers by 2025.

Forestry products exported from New Zealand in the year to 30 June 2001 totaled NZ\$3.6 billion (U.S.\$1.5 billion). This was a 10 percent increase from the NZ\$3.4 billion (U.S.\$1.4 billion) in the June 2000 year. Driving the increase were improved prices for wood pulp, fibreboard, logs and sawn timber. New Zealand's main markets for forestry products in the June 2001 year were Australia and Japan.

New Zealand softwood lumber exports are expected to rise slightly in 2001 as larger shipments to the U.S. offset a decline to Australian (exports in 2001 to Australia dropped relative to exceptionally high shipments in 2000 which were due to construction for the Olympics and large imports ahead of a new GST tax). NZ softwood lumber exports in 2002 will depend heavily on the health of economies in key Asian markets but shipments may recover to Australia. NZ plywood exports in 2001, are expected to fall due to lower exports to Australia, but exports in 2002 may recover slightly.

## **TRADE & ENVIRONMENT**

### ***Wood processing strategy***

In January of 2001, the New Zealand Wood Processing Strategy (WPS) was launched. The strategy was a joint Forest Industry, Central and Local Government partnership seeking to significantly raise the business case for further processing investment in 'new' forest areas, in particular the high value products. The WPS steering group is chaired by the Deputy Prime Minister with the Science, Energy and Forestry Minister as the vice-chair and comprises representatives from local Government and leading forest industry companies and associations.

The steering groups objectives include:

- Accelerating the development of the forest product and associated industries to get the best value from the regional expansion in wood available for harvest.
- A united approach (Industry and Government) towards dramatically improving the business case for investment in added value wood processing in New Zealand.
- Agreed measures of success of the strategy eg., vastly improved infrastructure, a world class research and development capability in wood fiber based products and manufacturing, a 20 percent increase in employment by 2005, increased investment to process in New Zealand, and at least 50 percent of additional harvest by 2015.

The WPS Steering Committee aims to implement ‘whole of Government’ solutions to identified development barriers through working groups - jointly chaired by industry and departmental leaders. These include:

- Transport
- Biosecurity
- Trade Enhancement
- Resource Management Act
- Climate Change
- Forestry Certification
- Employment/Skills
- Trade Access
- Investment
- Research, Science & Technology

### ***Transport***

More than 30,000km of extra in-forest roading will be needed in New Zealand over the next five years if new forests are to be harvested as they reach maturity. That is an increase of almost 50 percent on the estimated 66,000 km of tracks and arterial, secondary and stub roads servicing the existing forest estate of 1.7 million ha. MAF has projected that an additional 160,000 ha of forests will be ready to harvest in each of the next five years. Importantly for the forest roading industry, the large increases in potential wood supply are occurring outside the central North Island region - in non-traditional forestry regions, such as Northland, the East Coast, Hawkes Bay and the Southern North Island. The New Zealand Forestry Minister predicts that NZ \$3 billion (US \$1.3 billion) of investment capital needs to be attracted to wood processing industries by 2010.

### ***Trade liberalization***

With the wall of wood coming on in New Zealand, high tariffs and non-tariff barriers, particularly for processed wood products in ASEAN, China, Taiwan, Korea and India, are providing an impetus for New Zealand to strongly support trade liberalization in forest products. Forest industry officials are not relying first on WTO talks to provide market access for New Zealand wood products, instead they are actively lobbying the New Zealand Government to push for regional free trade agreements. A proposed free trade agreement (FTA) between Australia, New Zealand and ASEAN is also significant (but officials have to meet again to decide if or how to proceed). An agreement could lead to some significant forestry export benefits for New Zealand,

particularly for value-added wood products, since, according to the industry, some ASEAN nations have 25 percent tariffs on veneer and 10-20 percent tariffs on lumber.

The New Zealand forest industry is also lobbying the Government to pursue additional bilateral trade agreements. Of note is the CEP (Closer Economic Partnership) that went into effect in January 2001 between Singapore and New Zealand (under the agreement, tariffs on locally-made goods from each country will be eliminated, and trade in services between the two countries will be liberalized). The industry also supports Government negotiations which began this year for a CEP with Hong Kong. The industry also is particularly focusing on China and India, with the goal of lowering tariffs for value added wood products. Chinese membership in the WTO will bring reduced tariffs and the Government is pushing for lower tariffs in India on value-added wood products.

### ***Climate change & Kyoto***

The concept of carbon credit trading has gained momentum, and is causing controversy in New Zealand since the signing of the Kyoto Protocol. New Zealand was among the 38 developed countries which signed up to greenhouse gas emission targets two years ago in Japan. If it is ratified, New Zealand will have to reduce emissions between 2008-2012 to 1990 levels. Forestry owners are concerned that ratifying the international convention on carbon emissions will disadvantage timber production. Land-user groups and the forest sector believe the agreement should not be ratified or ratified with important changes. With the amount of available wood expected to double in the next 15 years, it will affect New Zealand's ability to process it and add value. It is believed by forestry officials that if the Government ratifies the Protocol, and thereby commits to reducing its carbon emissions, there is not much chance of more power stations being built and the investment will go offshore. It is also believed by the forest industry that by ratifying the agreement, foreign investment in the New Zealand forest industry will decrease, and New Zealand's competitiveness relative to developing nations which are not under GHG restrictions, will be reduced. New Zealand's big forestry companies say their NZ \$3.6 billion (US \$1.5 billion) export sector will be gutted if the Government proceeds. They feel the protocol will increase costs to the industry and give a subsidy to competitors in other countries.

The forestry giant Carter Holt Harvey this week indicated it is reluctant to invest more in its New Zealand operations until it can get a fix on the impact of NZ's ratification of the Kyoto protocol. The New Zealand Institute of Economic Research (NZIER) report on the effects of the Government's climate change policies says wood-processing industries will face higher transport and energy costs, and lose competitiveness in relation to developing countries which are not required to reduce greenhouse gas emissions. Forests planted before 1990 (which represent the majority of New Zealand's plantation forests), won't earn credits for the carbon sequestered in growing trees. The FIC is also concerned that forests once harvested must be replanted and not converted to other activities like dairy or lose carbon credits. New Zealand Forestry Minister and convener of the Ministerial group on climate change, says it is a mistake to focus on negatives, and the forest industry should prepare for implementation of the protocol, rather than resort to isolation. The Minister says, the NZIER report looks very closely at the risks for the wood processing industry but does not examine the benefits and opportunities. He adds that there will be options in the Government's policy for offsetting negative effects in a fair and equitable way.

At the same time, commercial pressures are pressing for ways to trade dirty and clean air. The credits market is a way to offset carbon production. In New Zealand it is estimated that by 2008, the country may have one million hectares of Kyoto-compliant forests. Already up to 500,000 hectares of forest in New Zealand could classify under the Kyoto agreement. The New Zealand Ministry of Environment reports that it is expected that the amount of sink credits available in the first commitment period is something in the order of 100 million tons or more for New Zealand. This could yield as much as NZ \$2 billion (U.S.\$800 million), assuming a NZ \$20 a ton price for a ton of clean air. It is reported that the New Zealand Government plans to ratify the Kyoto Protocol in the second half of 2002.

### ***Certification***

Sustainable forestry management (SFM) is a dominant trade and environment issue and certification is now being perceived as a prerequisite to remaining competitive in the forest products business, particularly in markets like the U.S. and Europe. The international forest industry has actively responded to the need for certification with approximately 40 certification processes in place or under development around the world. The Forest Stewardship Council (FSC) is the pre-eminent international monitoring council.

As part of the New Zealand Wood Processing Strategy (WPS) a industry working group has been formed as part of a process to agree on systems of verifying environmental performance for all types of forest. This process will meet local needs and the parameters of FSC. The aim for the WPS is to have an internationally recognized certification of plantation forests in place by 2003. To date around only 15 percent of New Zealand's plantation forests are FSC certified (with 30 percent the target for early 2002), but the New Zealand Forest Industries Council is confident its 2003 target for a majority of forests to be FSC certified will be achieved. The industry group is also currently working on website to report progress on the national initiative to set standards. The website address will be reported once it is operational. The New Zealand forest industry sees FSC certification as providing it with an important competitive advantage relative to other non-FSC certified exports in the EU, US or else where.

The FIC has changed its position regarding the value of an International Forestry Convention. Given the current acceptance by groups such as the FSC of plantation forestry, the NZ industry (with all exports from plantation forests) now supports efforts to pursue an IFC agreement.

### ***Employment***

One of the big issues for the New Zealand forest harvest industry is the dearth of skilled workers stretching from the cabs of machines to the desks of harvest planners, to match the rapid increase in harvest expected over the coming years. As a result a joint Government and Wood Processing Strategy group (WPS) commissioned a report by the New Zealand Department of Labor which identified barriers to recruitment: low pay, high physical demands, health and safety issues, and a perception that forestry did not provide an attractive career path. The Government has launched a Development Task Force, a partnership of industry, local community and Government, to bridge labor and skill shortages holding back the forest industry's development on the East Coast of New Zealand, one of the key growth areas for forestry in the coming years.

### ***Investment***

New wood available for processing in New Zealand will increase from 7 million cubic meters in 2001 to 18 million cubic meters by 2010, according to a study by Jaakko Poyry Consulting for Investment New Zealand (INZ). A NZ industry representative says new export-driven added value processing was needed, such as for medium-density fibreboard plants, appearance grade lumber products and engineered wood products. Three new LVL plants have been developed in the last year. One third of New Zealand's logs were exported as logs, and the challenge was to get as much of the wood supply as possible processed and exported. Key markets for New Zealand are Japan, the US, Taiwan, Australia and South Korea, and emerging markets in China, South East Asia, India and the Middle East.

### **Wood processing investment in New Zealand**

(Values in NZ\$ million)

	Solid Wood Processing			Residue Processing			
	New Plant	Plant Upgrades	Total	New Plant	Plant Upgrades	Total	Total
1988	11.0	0.0	11.0	0.0	0.0	0.0	11.0
1989	0.0	21.0	21.0	0.0	230.0	230.0	251.0
1990	20.0	0.0	20.0	8.0	50.0	50.0	78.0
1991	0.0	0.0	0.0	0.0	304.6	304.6	304.6
1992	42.0	14.7	56.7	0.0	0.0	0.0	56.7
1993	41.5	41.6	83.1	1.1	8.8	9.9	93.0
1994	49.0	67.2	116.2	0.0	52.0	152.0	268.2
1995	2.0	49.8	51.8	0.0	0.0	0.0	51.8
1996	1.0	4.0	5.0	10.0	58.0	68.0	73.0
1997	13.0	25.4	28.4	120.0	265.0	385.0	423.4
1998	65.4	56.3	121.7	0.0	313.0	313.0	434.7
1999	1.6	4.0	5.6	10.0	0.0	10.0	15.6
2000-05	200.0	48.0	248.0	0.0	0.0	0.0	248.0

Source (MAF).

### **Research, science & technology**

The Minister for Research Science and Technology has announced a new NZ \$11.8 million (US \$4.8 million) grants program, and increases of NZ \$9 million (US \$3.7 million) and NZ \$2.9 million (US \$1.2 million) in funding for Technology New Zealand and the New Economy Research Fund respectively. The Forest Industry Council (FIC) is to act as a lead agency on behalf of the sector in partnership with the Foundation for Research Science and Technology (RS&T).

The aim is to leverage Government RS & T investment, and to increase industry involvement, direction steering and investment. FIC will investigate the options to get funding across the forest sector. Its targets are NZ \$2.5 million (US \$1 million) by July 1, 2002, and another million dollars next year.

### ***GM tree trials on hold***

Forest Research New Zealand says the recommendations of the Royal Commission on Genetic Modification are favorable to its plans to genetically modify pine trees, but there are issues to be decided before the trees are planted. Forest research had approval to trial a sample of up to 660 genetically modified trees for improvement of wood production, reproduction rates and resistance to some herbicides, but the trial has been delayed pending a Government decision on its moratorium on new GM field trails (which began in May 2000). A Government decision will be announced by October 31, 2001. A spokesman for the project said all the monitoring, security and planning had been done so planting could begin if the Government gave permission. The FIC however believes NZ is not likely to develop genetically modified trees and will have to rely on developments outside NZ, depending on government policy.

### **TRADE - Softwood logs**

<b>New Zealand Softwood Log Exports 000 Cubic Meters, NZ\$FOB, July - June year</b>				
	000m3	\$ million	000m3	\$ million
<b>Destination</b>	<b>1999/00</b>		<b>2000/01</b>	
Korea	3,426	346	3,139	344
Japan	1,647	190	1,646	223
China	378	37	368	40
Taiwan	101	8	84	10
United States	39	5	13	2
Thailand	73	5	60	7
Philippines	205	24	165	21
Malaysia	11	1	41	5
India	194	21	494	38
Others	95	16	165	23
<b>TOTAL/AVE</b>	<b>6,169</b>	<b>653</b>	<b>6,175</b>	<b>713</b>
Source: Statistics New Zealand, MoF				

<b>New Zealand Softwood Lumber Exports 000 Cubic Meters, NZ\$FOB, July - June year</b>				
	000m3	\$ million	000m3	\$ million
<b>Destination</b>	<b>1999/00</b>		<b>2000/01</b>	
Australia	435	255	343	209
Japan	264	90	293	108
Taiwan	133	36	139	37
United States	347	242	408	296
Korea	35	7	41	8
New Caledonia	10	4	6	2
Philippines	17	7	36	13
Thailand	41	10	41	10
Hong Kong	42	16	39	17
Indonesia	11	5	16	7
China	59	24	70	31
Singapore	35	13	15	6
Other	51	24	45	25
<b>TOTAL</b>	<b>1,480</b>	<b>733</b>	<b>1,492</b>	<b>769</b>
Source: Statistics New Zealand, MoF				

<b>New Zealand Plywood Exports 000 Cubic Meters, NZ\$FOB, July - June year</b>				
	000m3	\$ million	000m3	\$ million
<b>Destination</b>	<b>1999/00</b>		<b>2000/01</b>	
Japan	55	87	52	104
Australia	38	29	28	23
Hong Kong	7	4	3	2

Taiwan	2	1	0.3	0.1
Korea	0	0	0	0
Other	7	4	5.7	5
TOTAL	109	125	89	134
Source: Statistics New Zealand, MoF				

## STRATEGIC INDICATOR TABLES

### *Forest Area*

FOREST AREA			
Country: New Zealand Report Year: 2001	Previous 2000	Current 2001	Following 2002
Total Land Area (millions of hectares)	27	27	n/a
Total Forest Area (millions of hectares)	8.13	8.13	n/a

--of which, Commercial ('000 hectares)	1.73	1.73	n/a
---of commercial, tropical hardwood ('000 hectares)	0	0	n/a
---of commercial, temperate hardwood ('000 hectares)	0	0	n/a
—of commercial, softwood ('000 hectares)	1.73	1.73	n/a
Forest Type			
–of which, virgin ('000 hectares)	6.40	6.40	n/a
–of which, plantation ('000 hectares)	1.73	1.73	n/a
–of which, other commercial (regrowth) ('000 hectares)	n/a	n/a	n/a
Total Volume of Standing Timber (thousand cubic meters)	353	353	n/a
–of which, Commercial timber ('000 cum)	17.90	17.90	n/a
Annual Timber Removal ('000 cum) 1/	13.00	13.00	n/a
Annual Timber Growth Rate ('000)			
Annual Allowable Cut ('000 cum)			
Note: These data are based on a 1999 forestry survey that has not been updated.			

### Forest product tariffs and taxes (percent)

These remain unchanged. See NZ0049.

### Wood Product Subsidies

This table remains unchanged from NZ0049. With the demise of Wood New Zealand last year, foreign market development support takes place primarily with the New Zealand Timber Industry Federation which supports middle size or smaller sawmills. The Federation will also work with Government supported Trade NZ to develop some markets, especially targeting China. An annual meeting with US importers and the NZTF is held to discuss the trade outlook. Major international companies located in NZ do their own wood products promotion and have their own distribution channels in markets in the US, Japan or elsewhere.